

**2001-2002**



**School  
Rewards  
Toolkit**

## **REQUIREMENTS OF LAW**

As required by 703 KAR 5:020, 703 KAR 5:040, 703 KAR 5:060, and KRS 158.6455, a sum of money to be determined shall be paid out of the Kentucky Successful Schools Trust Fund to schools qualifying for rewards. The Kentucky Department of Education shall determine an amount consistent with regulatory requirements to be distributed to every school qualifying for rewards based on academic and nonacademic components. Schools qualifying for rewards received in September specific information on the number of shares of rewards the school will receive. The school's specific status with rewards is reported on page 3 of the Kentucky Performance Report or the "Growth Chart" page.

Beginning with rewards issued at the close of the 1999-2000 school year, a "reward shall be distributed to successful schools based on the number of full-time, part-time, and itinerant certified staff employed in the school on the last working day of the year of the reward to be used for school purposes as determined by the school council or, if none exists, the principal." (KRS 158.6455)

## **PROCEDURE FOR DETERMINING REWARDS and ASSISTANCE CATEGORY**

To receive rewards under the provisions of KRS 158.6455(5)(b)1 and 703 KAR 5:060, a school shall have met dropout and novice reduction targets and have met or exceeded the Goal Line, or be in the progressing area with an index greater than it had in the last biennium, or pass through a recognition point the first time (at 55, 66, 77, 88, and 100). If a school is in the top five percent and exceeding 88 or 100, it can receive a reward provided the school is not receiving rewards under any other provision and provided that the school has not declined in both previous two biennia.

The total amount of rewards to be distributed to schools and school districts earning rewards shall not exceed 1  $\frac{3}{4}$  percent of the amount of funds paid to certified personnel within Kentucky's public schools during the last year of the accountability cycle. A reward share shall not exceed \$2000.

When a school does not have an accountability grade, that school shall be combined with the school that has an accountability grade its students would subsequently attend.

For purposes of rewards, an A2-A6 school serving a single public school district will be eligible for rewards if its district qualifies for rewards (or would have if a district accountability program had been in place). An A2-A6 school serving multiple public school districts shall be eligible for rewards if more than ten (10) percent of its total aggregate membership is generated from a district which has qualified (or would have if a district accountability program had been in place) for rewards. The amount of the reward shall be proportionate to this percent.

For rewards schools that have been reconfigured or are no longer in existence, the following advice has been recommended by the Office of Legal Services, Kentucky Department of Education:

“The law is not clear on what to do in this situation. Since rewards are for past performance and are earned, they still should be distributed to the school unit of accountability that earned the rewards. We understand that the legislative intent was for this decision to be made by a school council to use the funds for school purposes. As a result, the approach we recommend is to get the school council back together to vote on how to use the funds for school purposes. In determining the use of funds for school purposes, the school council may want to decide to devote the funds for the benefit of the school(s)/students/staff where many of these people are now assigned.

If the school that earned the rewards did not have a school council during the interim accountability period, then the principal, consistent with KRS 158.6455(1)(a), should determine the use of the rewards funds for school purposes. However, if the person who served as principal at the school earning rewards is no longer employed by the school district, we recommend that the school district superintendent determine the use of the rewards funds for school purposes that were earned by the school unit of accountability that no longer exists. In that situation, again the superintendent is likely to want to devote those rewards funds for school purposes at the school(s) to which many of the teachers and pupils were dispersed.”

### **2001-2002 Staff Certification**

On the September 2002 accountability reports for the Interim Accountability Model, schools were informed of their eligibility status for rewards. In October, District Assessment Coordinators (DACs) will receive staff certification forms from the Department of Education. These forms list the full-time, part-time, and itinerant certified staff (exclusive of substitutes) assigned to each school in 2001-2002. Please note that pre-printed data for these forms was taken from information submitted to the Department in the fall of 2001. Typically, changes will have occurred during the 2001-2002 school year. Principals or superintendents will need to amend these lists of names to reflect the certified staff employed on the **last working day of the 2001-2002 school year** and the percent of time each was assigned to the rewards school. The principal, superintendent, and DAC must certify the accuracy of the information provided. The purpose of collecting teacher names and full-time equivalents (FTE) is to calculate the amount of money to be generated for each school. The purpose is not to suggest how the money should be spent. The use of this money is under the complete control of the school council. The corrected forms are due back to the following address by **November 1, 2002**:

Rewards Staff Certification  
Division of Budgets  
ATTN: Lynn Whittaker  
Kentucky Department of Education  
16<sup>th</sup> Floor, Capital Plaza Tower  
500 Mero Street  
Frankfort, KY 40601  
Phone: 502/564-1979  
FAX: 502/564-6771  
E-mail: [lwhittak@kde.state.ky.us](mailto:lwhittak@kde.state.ky.us)

## Use of Reward Monies

School councils are required by law to determine the use of the reward money earned by the school. (*Refer to "Attorney General's Opinion on Use of Rewards Monies" at [http://www.kde.state.ky.us/aaa/implement/dac\\_index.asp](http://www.kde.state.ky.us/aaa/implement/dac_index.asp)*) Councils are to do this by the method of decision-making they have established in their by-laws. The actions of the Council in determining the use of the reward funds must also be reflected in the minutes of the Council meeting.

After the Council has decided how the reward funds will be used, the principal will complete the 2001-2002 Rewards Funds Survey. (Districts may expect a check sometime in January 2003.) Simple majority is all that is necessary to satisfy the law; however, many school councils will use consensus to make their decisions. In the event the school does not have a Council then the principal is the responsible individual. This form must be signed and sent to the following address on or before **May 15, 2003**, with a copy sent to the local school district superintendent:

Rewards Funds Survey  
Division of Budgets  
ATTN: Lynn Whittaker  
Kentucky Department of Education  
16<sup>th</sup> Floor, Capital Plaza Tower  
500 Mero Street  
Frankfort, KY 40601  
Phone: 502/564-1979  
FAX: 502/564-6771  
E-mail: lwhittak@kde.state.ky.us

## Financial Accounting

The Department of Education will distribute funds for school rewards to the local school districts, which will disburse the funds on behalf of the school(s). Local school districts should receipt and expend school reward funds using project code 145X after the Council of each school eligible for rewards has officially notified the superintendent of the distribution of the reward funds. We strongly recommend that all such decisions be made by **May 3, 2003**. Schools are not required to expend reward funds in the fiscal year in which they are received. No funds should be transferred from the district to the individual school. All funds must be disbursed and accounted for at the district level.

Should the School Council determine that any or all of the reward funds are to be paid to employees, staff should be made aware of the following:

- a. These funds are not added to an employee's base salary.

- b. These funds are not considered compensation for teachers' retirement purposes under KRS 161.220(10) and are, therefore, not subject to teachers' retirement withholding; however, they are subject to federal, state, and local income taxes.
- c. Certified and classified employees hired after March 31, 1986, must pay 1.45% for Medicare. Classified employees are also required to pay appropriate FICA and CERS. Reward funds will be used as the employer match in all cases.
- d. On cases that are unusual, consult with the state Social Security Office as needed – Daryl Dunagan (502-564-3952).
- e. For FICA purposes, teachers who retired after the year in which the award was earned shall be treated as participants in KTRS. Therefore, the same withholding requirements apply that were in force while they were employed.

Should the School Council determine to use a portion of the reward funds to employ additional personnel, they should be aware that these are one-time funds and, unless otherwise agreed to by the local board of education, must be used for both salary and appropriate fringe benefits.

**SAMPLE****CERTIFIED STAFF VERIFICATION REPORT**

CATS Rewards as of October 16, 2002

School Code: 000000

School Name: ABC Elementary

District Name: ABC County

2001-2002 Staffing from PSD

SSN	Name	FTE	Adjustment	Comments
123456788	BUSSELL Ellen	1.00		
123456794	EADS Teri	.50		
123456764	HILL Kevin	1.00		
123453667	SIMS Rhonda	1.00		
284756433	WICKIZER John	<u>1.00</u>		
	TOTAL FTE	4.50		

**NOTE:**

- If a certified staff who was not employed in your school on the last working day of the 2001-2002 school year is included on this list, mark through the name and corresponding information.
- If a certified staff who was employed in this school on the last working day of the 2001-2002 school year is not included on this list, add the name, social security number, and FTE.
- If a certified staff who was employed at this school on the last working day of the 2001-2002 school year is included on this list but the corresponding information is incorrect, make the appropriate changes.
- Schools should be careful to include on the verification report persons employed in positions requiring teacher certification such as (but not limited to) FRYSC Coordinators, preschool teachers, or resource teachers.

I certify that this data represents the staffing as of the last working day of the 2001-2002 school year and that I have read and followed the directions for modifications to this list.

PRINCIPAL'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SUPERINTENDENT'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

DAC SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

Return to: **Rewards Staff Certification, Division of Budgets, ATTN: Lynn Whittaker, Kentucky Department of Education, 16<sup>th</sup> Floor, Capital Plaza Tower, 500 Mero Street, Frankfort, KY 40601**

Due Due: **November 1, 2002**

**Rewards Fund Survey**

(This will be used to report to the Kentucky Board of Education and other governing bodies.)

Please indicate the percent of reward money used for each of the following purposes.

<b>Purpose</b>	<b>Indicate %</b>
Educational Materials	
Professional Development	
Field Trips	
School Supplies	
Certified Staff Bonuses	
Classified Staff Bonuses	
Other: (please explain)	
<b>TOTAL</b>	<b>100%</b>

PRINCIPAL'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

DATE APPROVED BY SBDM COUNCIL \_\_\_\_\_

**(Provide a copy of this form to your local school district superintendent.)**

Return by **May 15, 2003** to:

Rewards Fund Survey  
Division of Budgets  
ATTN: Lynn Whittaker  
Kentucky Department of Education  
16<sup>th</sup> Floor, Capital Plaza Tower  
500 Mero Street  
Frankfort, KY 40601  
Phone: 502/564-1979  
FAX: 502/564-6771  
E-mail: lwhittak@kde.state.ky.us

**DISTRICT REWARDS CHECKLIST**

Activity	Date completed
1. Accountability Reports received from DRC (September 15, 2002)	_____
2. Rewards Toolkit sent to DAC (October 16, 2002)	_____
3. Rewards Staff Verification Form(s) sent to DAC (October 16, 2002)	_____
4. Principal returns corrected Staff Verification forms to DAC to be returned to KDE (November 1, 2002)	_____
5. KDE sends rewards check to each district (January 2003) *	_____
6. Council advises superintendent of voting outcome and returns Rewards Fund Survey (May 15, 2003)	_____

**\* Date is based on the return of all certification forms by the specified deadline.**



## GLOSSARY OF TERMS

**Reward Share** – The reward amount multiplied by the number of certified staff employed on the last working day of the accountability cycle, divided into the total amount of money designated for rewards in this accountability cycle. This amount is not to exceed 10 percent of the average teacher salary for 2001-2002 in the five districts with the highest average teacher salary.

**Full-time Equivalent (FTE)** – Percent of time a person is employed at the rewards school based on 100% = 1.0

**Feeder School** – A school which does not have an accountability grade, but whose students would subsequently attend the rewards school

### A2 – A6 Schools

- A2 District-operated vocational-technical school (membership counted in other schools)
- A3 District-operated special education school (totally special education)
- A4 District-operated headstart/preschool
- A5 Alternative School
- A6 Alternative program – District-operated instructional program in a non-district operated institution or facility